



# Halton District School Board

## AUDIT COMMITTEE

Virtual Meeting [meet.google.com/kih-tbyd-uaa](https://meet.google.com/kih-tbyd-uaa) (use calendar invite link or type into browser)

Tuesday, May 3, 2022

**Public Session: 3:30 p.m.**

### PUBLIC SESSION AGENDA

#### **1.0 – Opening**

- 1.1 Welcome and Call to Order
- 1.2 Acknowledgement of Traditional Lands
- 1.3 Declarations of Possible Conflict of Interest
- 1.4 Approval of the Agenda

#### **2.0 – Ratification / Action**

**page**

- 2.1 Minutes of the Audit Committee Meetings
  - 2.1.1 Audit Committee Meeting, February 22, 2022 *pages 2-5*
- 2.2 Approval of Business Transacted in Private Session (Chair)
- 2.3 Action Items
  - 2.3.1 External Audit Plan for 2021/2022 Financial Statement Audit (L. Cheung) *pages 6-23*
  - 2.3.2 Regional Internal Audit Plan for 2022/2023 (A. Eltherington) *pages 24-25*

#### **3.0 – Communication to the Audit Committee**

**page**

- 3.1 For Information
  - 3.1.1 Regional Internal Auditor Status Report (A. Eltherington) *page 26*
  - 3.1.2 Timelines for Financial Reporting Presentation to Board (R. Negoï) *pages 27-28*
  - 3.1.3 2022:SB06 Memo – 2020-21 Audit Committee Annual Report to the Ministry (R. Negoï) *pages 29-30*

#### **4.0 – Other Business**

**page**

- 4.1 Public Questions and Answers (Submit via [Google Form](#))

#### **5.0 – Adjournment**

- 5.1 Motion to Adjourn

Date of Next Meeting – *suggested Tuesday, September 27th*  
(must be before September 30, 2022)

*This publication is available in accessible formats upon request*

**Halton District School Board  
Audit Committee Public Session Meeting Minutes  
Tuesday, February 22, 2022**

**Attendance:**

**Trustee Members:** L. Reynolds, A. Collard (Chair), J. Gray

**Trustee Guests:**

**Public Representative:** S. Malik, D. McKerrall (Vice Chair)

**Staff:** H. Camastro, C. Ennis, R. Negoi, C. Salemi, K. Samarin, J. Sweetman, E. Jabat, K. Raposo

**Regional Internal Audit Team:** A. Eltherington

**External Auditor:** L. Cheung

**Regrets:**

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**Agenda Item 1.0**

**1.1 Call to Order**

- The Audit Committee Chair called the meeting to order at 3:32 p.m.

**1.2 Acknowledgement of Traditional Lands**

- On behalf of the Board, acknowledgement and thanks was given to the Mississaugas of the Credit First Nation for sharing their traditional territory with us.

**1.3 Declarations of Possible Conflict of Interest**

- No conflicts of interest were declared.

**1.4 Approval of the Agenda**

**Motion: J. Gray & L. Reynolds**

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for February 22, 2022 be approved as distributed.

**Carried Unanimously.**

**Agenda Item 2.0**

**2.1 Minutes of the Audit Committee Meetings**

**2.1.1 Audit Committee Meeting, November 9, 2021**

**Motion: D. McKerrall & S. Malik**

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on November 9, 2021 be approved as distributed. **Carried Unanimously.**

## 2.2 Approval of Business Transacted in Private Session (Chair)

### **Motion: A. Collard & D. McKerrall**

Be it resolved that the Audit Committee received the Regional Internal Audit Status Update and for it be included in the Audit Committee Summary to the Board of Trustees. **Carried Unanimously.**

### **Motion: A. Collard & J. Gray**

Be it resolved that the Audit Committee approve the renewal of Banking Services Agreement with the Royal Bank of Canada (RBC) for a new five-year term from September 1, 2022 to August 31, 2027 and recommend to the Board of Trustees for approval. **Carried Unanimously.**

## 2.3 Action Items:

### 2.3.1 Regional Auditor Status Report

- The Regional Internal Audit Manager presented the report and responded to questions.
- Four items on the audit plan that was revised in June 2021:
  - The strategies for Equity and Inclusion
  - Mental Health & Well-Being for both Staff & Students
  - Network Penetration Test
- Due to staffing backlog, The Mental Health and Well-Being of students will be the only auditing to be conducted in the 2021/2022 school year. The other three items will be completed by the end of 2022/2023 school year.
- Terms of Reference was attached for the Mental Health and Well-being audit.

### **Motion: D. McKerrall & S. Malik**

Be it resolved that the Audit Committee received the Regional Internal Audit Plan Update and that they report be included in the Audit Committee summary to the Board of Trustees. **Carried Unanimously.**

### 2.3.2 Terms of Reference – Mental Health & Well-Being Audit

- Regional Internal Audit Manager presented the Mental Health & Well-Being Audit terms of reference and responded to questions.
- This audit is more qualitative than quantitative and will be looking at the goals put into place and how the Board is measuring achievement to those goals. For example, goals for wait times and the measurement and improvement of this over time.
- Importance of informing the Audit Committee the steps being taken to reach these goals.
- One initial discussion completed so far and information is still being gathered
- No data yet available on specific geographical areas. The focus is more around the efforts on where the most need would be and the way the supports are being allocated.

**Motion: L. Reynolds & D. McKerrall**

Be it resolved the Audit Committee received the Terms of Reference – Mental Health & Well-Being Audit. **Carried Unanimously.**

*2.3.3 Recommendation for the External Auditor for the 2021-22 Financial Statement Audit*

- The Superintendent of Business Services presented the report.
- There were no questions on this report.

**Motion: D. McKerrall & J. Gray**

Be it resolved at the Audit Committee recommend to the Board of Trustees the appointment of the external audit firm, Deloitte LLP to perform the annual financial statements audit and the specified procedures report for the 2021/2022 fiscal year at a cost not to exceed \$78,960 plus HST. **Carried Unanimously.**

**Agenda Item 3.0**

*3.1 Information Items*

*3.1.1 Reports from the Auditor General*

- Financial Reporting of School Boards in Ontario.
- The Superintendent of Business Services presented the report.
- Focuses on the presentation and disclosure of the financial statements and the consistency across financial reporting for all school boards and the Ministry. Recommendations in adding on a few note-disclosures to the financial statements as well as splitting up grants for student needs between the proportion that is provincial and municipal through the education levies.
- The report is a provincial observation and not all of the identified items apply to HDSB.
- Clarification was provided around the separation of revenue to delineate the funding received from the province and the municipalities. No restatements required.
- Ministry of Education provides a standard template for school boards to use and a lot of these recommendations should be addressed through revisions to the template.
- Financial statements posted on the website do not contain signatures. This is to protect against fraudulent use.
- New accounting standard a couple of years ago where school boards needed to adapt new requirements as it relates to disclosure of related party transactions. There was no disclosure in the financial statement in that year because of the fact that based on the assessment of the external auditor along with that of Management there was no impact. To conclude, nothing has changed as a result of this adoption.

*3.1.2 Board Report on Budget Development and Schedule*

- The Superintendent of Business Services presented the report.
- Many of the uncertainties for next year have been answered and staff are working with this new information to change staffing models to come back to the Board in April with additional information.

*3.1.3 Timelines for Financial Reporting Presentation the Board*

- The Superintendent of Business Services presented the report.
- There were no questions on this report.

**Agenda Item 4.0**

*4.1 Public Questions and Answers*

- There were no questions submitted from the Public
- Resumed back to Private Session at 4:09 pm to complete Agenda Item 5.0

**Agenda Item 5.0**

*5.1 Rise into Private Session*

**Motion: L. Reynolds & D. McKerrall**

Be it resolved that Audit Committee rise from Public Session into Private Session

*5.2 Adjournment*

Meeting declared adjourned due to agenda being exhausted on February 22, 2022 at 4:39pm

- Next scheduled meeting date – Tuesday, May 3, 2022

# Halton District School Board

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Date: May 3, 2022

**FOR DECISION**

TO: Audit Committee  
FROM: Roxana Negoï,  
Superintendent of Business and Treasurer  
RE: **External Audit Plan**

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**Recommendation:**

***Be it resolved that the Audit Committee recommend to the Board of Trustees the approval of the external audit plan and the fees of \$78,960 excluding applicable taxes (attached as Appendix A) for the fiscal year ending August 31, 2022, prepared by the Board's external auditors, Deloitte LLP.***

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**Rationale:**

Ontario Regulation 361/10, initially approved in 2010, applies to Audit Committees established by district school boards under subsection 253.1 (1) of the Education Act. The following sections are applicable to the recommendations:

External Audit Plan, Paragraph 9(4) (2.1):

- To make recommendations to the board on the content of the external auditor's audit plan and on all proposed major changes to the plan.

The audit fees quoted of \$78,960 include the fees for the annual consolidated financial statement audit of the Board of \$70,220 and the seven month specified procedures report of \$8,740.



## **Halton District School Board** 2022 Audit service plan

For the year ending August 31, 2022  
To be presented to the Audit Committee  
May 3, 2022

April 26, 2022

**Private and confidential**

To the Chair and Members of the  
Audit Committee of Halton District School Board  
Halton District School Board  
J.W. Singleton Education Centre  
2050 Guelph Line  
Burlington ON L7R 3Z2

**2022 Audit service plan**

Dear Audit Committee members:

We are pleased to provide you with our audit service plan for Halton District School Board ("the School Board"), for the year ending August 31, 2022. This document describes the key features of our plan including our audit scope and approach, our planned communications with you, and our team.

Our audit of Halton District School Board's consolidated financial statements (the "Financial Statements") for the year ending August 31, 2022 prepared in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("Financial Reporting Framework"), will be conducted in accordance with Canadian generally accepted auditing standards.

Our commitment to you is straightforward: we will provide you with outstanding professional services delivered by an experienced and dedicated team of professionals. Our professionals will continue providing you with best practices and insights to face the increasingly complex array of issues and challenges encountered by the School Board.

We look forward to discussing our audit service plan with you and answering any questions you may have.

Yours truly,

**Original signed Deloitte LLP**

Chartered Professional Accountants  
Licensed Public Accountants



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# Executive summary

## Audit scope and terms of engagement

We have been engaged to perform an audit of the School Board's consolidated Financial Statements, as at, and for the year ending, August 31, 2022 (the "Financial Statements") prepared in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("Financial Reporting Framework"). Our audit will be conducted in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the Master Services Agreement for Professional Services dated April 1, 2018 and Confirmation of Changes letter dated April 14, 2021, which have been signed on behalf of the Committee and management.

## Audit risks

<b>1</b>	Revenue recognition
<b>2</b>	Management override of controls
<b>3</b>	School generated funds and school council funds
<b>4</b>	Government transfers relating to capital contributions
<b>5</b>	Employee future benefits
<b>6</b>	Preparation for new PSAS accounting standards

## Materiality

2.5% of total expenses



Preliminary materiality

5% of materiality



Clearly trivial threshold

We are responsible for providing reasonable assurance that your Financial Statements as a whole are free from material misstatement. We will report to the Committee uncorrected misstatements greater than our current year clearly trivial amount. We will report our final materiality figures to the Committee at our audit results presentation. In accordance with Canadian GAAS, we will ask that any misstatements be corrected.



### Fraud risk

We will develop our audit strategy to address the assessed risks of material misstatement due to fraud. Determining this strategy will involve:

1. Enquiry of those involved in the financial reporting process about inappropriate or unusual activity.
2. Testing a sample of journal entries throughout the period as well as adjustments made at the end of the reporting period.
3. Identifying and obtaining an understanding of the business rationale for significant or unusual transactions that are outside the normal course of business.
4. Evaluating whether your accounting policies may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
5. Evaluating whether the judgements and decisions related to management estimates indicate a possible bias.
6. Incorporating an element of unpredictability in selecting our audit procedures.

We will ask Management and the Audit Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the School Board and their role in the oversight of management's antifraud programs.

If we suspect fraud involving management, we will immediately inform the Audit Committee of our suspicions and discuss the nature, timing, and extent of audit procedures necessary to complete the audit.

### Group audit

The Financial Statements of the School Board include their share of the accounts and activities of the Halton Student Transportation Services ("HSTS"). As the group auditor of the School Board, we communicate with the auditors of HSTS and provide direction on the planning, performance, and results of their audit, including their risk assessment, materiality, and audit strategy. We are responsible to assess the impact of any uncorrected misstatements and disclosure misstatements they identify as part of their audit of HSTS on our overall audit opinion on the financial statements of the School Board. We will report back to the Audit Committee if any matters arise as part of our group audit requirements.

### Use of the work of specialists

We intend to use our own IT specialists to assess the design and implementation of information technology computer controls.

We also intend to use the work of the School Board's actuary, School Boards' Co-operative Inc., in their valuation of the School Board's post-employment benefits. We will review and test any data and assumptions used, ensure the disclosure in the financial statements is adequate and that the actuary is in good standing with the Canadian Institute of Actuaries.

If our assessment does not provide us with sufficient, appropriate audit evidence, we will need to perform additional audit procedures to address the risks of material misstatements in the Financial Statements.

# Audit risks

The following tables set out the audit risks that we identified during our preliminary planning activities, including our proposed response to each risk. Our planned audit response is based on our assessment of the likelihood of a risk's occurrence, the significance should a misstatement occur, our determination of materiality and our prior knowledge of the School Board.

Significant risks are denoted by an asterisk (\*)

## Revenue recognition\*

Significant audit risk	Our proposed audit response
<p>Assurance standards include the presumption of a fraud risk involving improper revenue recognition. (Grants, deferred capital contributions, other fees and revenue, and school fundraising and other revenue).</p> <p>As part of our audit planning, we will pinpoint the presumed fraud risk in revenue recognition to specific revenue streams and associated assertions.</p> <p>We recognize that as a result of COVID-19 there continue to be changes to the various provincial grants announced by the Ministry of Education, which will be captured as part of our audit response.</p>	<ul style="list-style-type: none"> <li>• We will test the design and implementation of controls in these revenue streams and perform substantive analytic procedures and detailed testing in these areas</li> <li>• With respect to grants revenue, obtain funding letters, as well as associated B and SB memos issued by the Ministry of Education, to understand the grant stipulations and assess management's recording of the associated revenue and deferred revenue.</li> <li>• Through discussion with management and review of the Audit Committee minutes, we will obtain an understanding of the financial impact to various revenue streams as a result of COVID-19, and design procedures surrounding the recognition of such revenues and any changes (compared to prior year and to the approved budget) as a result of the pandemic. We will pay particular attention to any revenue sources that may have been deferred or for which alternate arrangements have been made with users/funders.</li> </ul>

## Management override of controls\*

### Significant audit risk

Assurance standards include the presumption of a significant risk of management override of controls.

Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

### Our proposed audit response

In testing for management override of controls we will:

- Engage in periodic fraud discussions with certain members of senior management, and others
- Consider the potential for bias in judgments and estimates, including performing retrospective analysis of significant accounting estimates
- Evaluate the business rationale for any significant unusual transactions
- Evaluate the School Board's fraud risk assessment and consider entity-level internal controls and internal controls over the closing and reporting process
- Test journal entries that exhibit characteristics of possible management override of controls, identified using manual techniques

## School generated funds and school council funds

### Audit risk

There is an increased risk of misstatement of School Generated Funds and School Council Funds due to the fact that transaction processing is decentralized and internal controls implemented at each school site and their operating effectiveness may vary.

In particular, during 2021, we saw a significant decline in school generated funds and school council funds activities due to COVID closures. We anticipate the volume of activities to increase in fiscal 2022 with gradual reopenings throughout the year which will require a reciprocal increase in our volume of testing.

### Our proposed audit response

- We will select a sample of schools to audit and perform substantive tests of details to obtain assurance over assets, liabilities, revenues and expenses. We anticipate being able to perform this testing in-person for 2022 (this testing was performed remotely in both 2021 and 2020).
- We will perform testing on internal controls over the p-card process at the selected schools.
- We will also perform testing on the maintenance of enrolment registers and enrolment reporting at each selected school.

## Government transfers relating to capital contributions

### Audit risk

The accounting for government transfers relating to capital contributions is a distinct area which has been prescribed by the Ministry of Education, and can be complex given the significance of capital transactions and balances at the School Board. Ministry directives in this area differs from Canadian Public Sector Accounting Standards and thus requires additional scrutiny.

### Our proposed audit response

- We will detail test transactions and balances impacted, including tangible capital assets and capital contributions received and recognized through annual amortization, and determine whether the School Board has accounted for these transactions in accordance with regulations and relevant policies.
- We will ensure adequate disclosure of the basis of accounting in the notes to the financial statements.

## Employee future benefits

### Audit risk

Employee future benefits liabilities and expenses are valued by the School Board's actuary based on certain significant judgments and assumptions.

### Our proposed audit response

- We will communicate with the School Board's actuary, School Boards' Co-operative Inc., to ensure we understand the assumptions used by them in their preparation of the valuation.
- We will review the actuarial report, and verify inputs used through detail testing against personnel files, and review assumptions used against independent, industry sources.
- We will ensure proper disclosure in the financial statements.

## Preparation for new PSAS accounting standards

### Audit risk

In fiscal 2023, two new accounting standards, *PS 3280 Asset retirement obligations*, and *PS 3450 Financial instruments*, will come in effect. Both standards will require early preparation by the School Board, including development of accounting policies, information gathering with various School Board departments, engagement of external consultants (where needed) to assist with valuation, and development of go-forward processes for policy maintenance.

We understand that the Ministry of Education has been leading the sector's implementation and has provided certain templates to assist with the process.

### Our proposed audit response

- We will discuss with management the implementation plan for the new standards.
- We will share with management any materials we have available to guide in their adoption of the standards.
- Through the implementation and information gathering process, we will connect with management to monitor status and ensure implementation decisions are reasonable and judgments are properly documented and substantiated. We will provide input as requested by management.

# Appendix 1 – Audit approach

Deloitte’s audit approach is a systematic methodology that enables us to tailor our audit scope and plan to address the unique issues facing the School Board.



## Delivering professional excellence

### Focus area

<b>Risk based audit</b>	<ul style="list-style-type: none"> <li>Deliver a customized risk assessment, focusing our attention and resources on the audit areas that are most relevant to the School Board.</li> </ul>
<b>Confidential Information</b>	<ul style="list-style-type: none"> <li>Protecting the privacy and confidentiality of our clients and the firm is a cornerstone of the professional standards every Deloitte partner and practitioner commits to upholding every day.</li> <li>Deloitte employs technical, physical, and procedural safeguards, including our Confidential Information Program, to appropriately safeguard your data before, during, and after the course of the engagement.</li> </ul>
<b>Professional skepticism</b>	<ul style="list-style-type: none"> <li>Obtain a thorough understanding of the relevant facts and information, analyze reasonable alternatives, apply a questioning mindset and challenge management’s assumptions.</li> <li>Perform a more rigorous review of potential contradictory evidence.</li> </ul>
<b>Consultations</b>	<ul style="list-style-type: none"> <li>Involve additional resource or consult with technical resources concerning the significant or unusual events.</li> </ul>



## When general IT controls (GITCs) may be relevant?

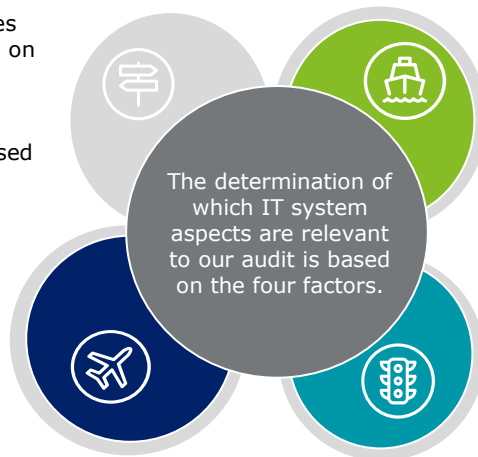
### Factor #1 Data

For example:

A billing system that performs many functions (such as processing orders, generating invoices, and tracking financial balances) and it processes and houses data. The entity relies on the functionality and the data processed by the system. Additionally, the volume and complexity of transactions processed by system is considered high. Therefore the billing system is relevant to the audit.

### Factor #3: System Generated Reports

For example, a system-generated A/R aging report from the financial reporting application is used to determine the allowance for doubtful accounts.



### Factor #2 Automated Controls


For example:

- 3-way match of the purchase order, goods receipt and invoice prior to payment
- The calculation of depreciation expense
- Access is restricted to update inventory quantity

### Factor #4: Substantive Procedures

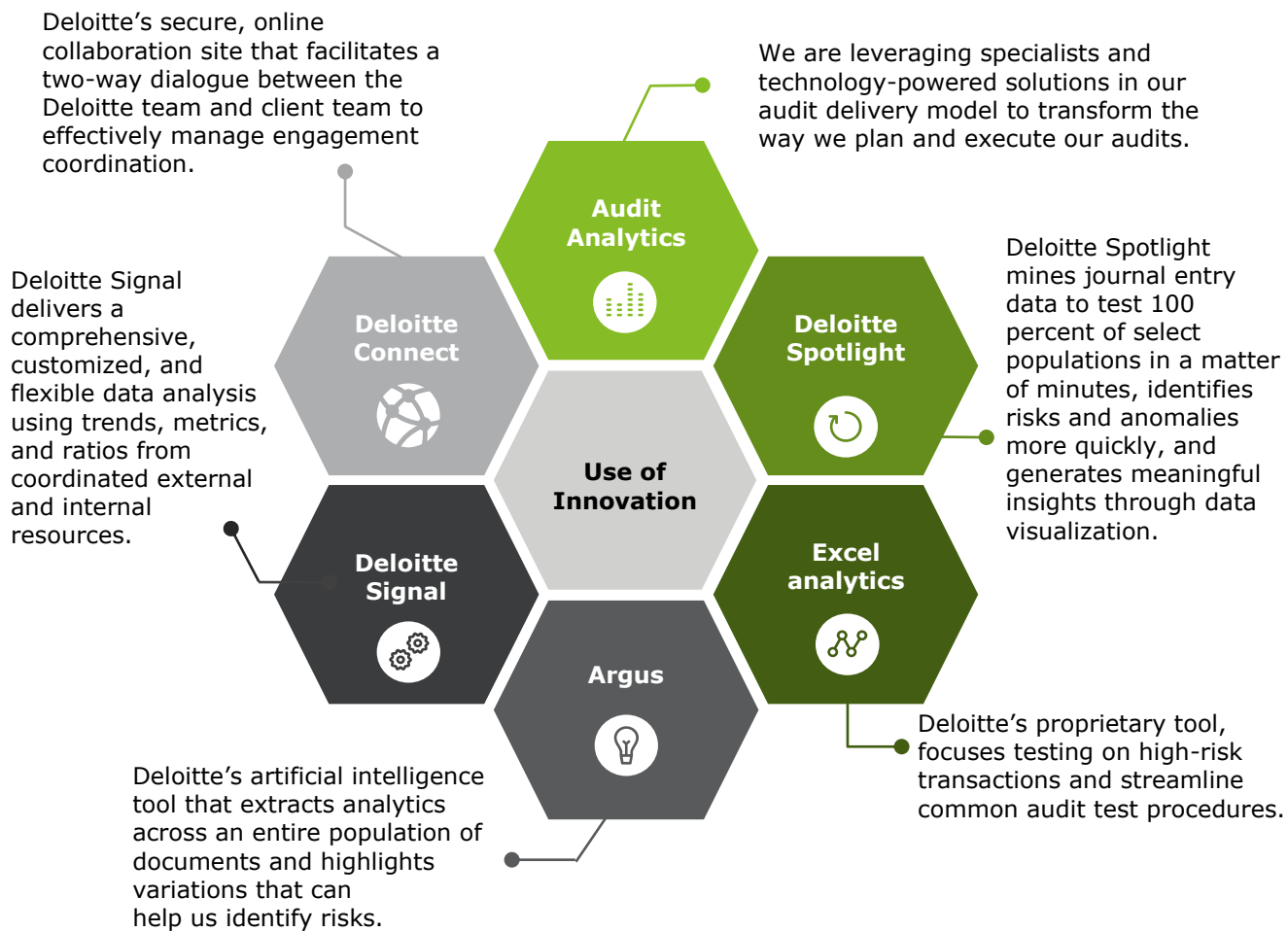
For example, a telecommunications company uses its application system to create a log of the services provided to its customers, to initiate and process its billings for the services, and to automatically record such amounts in the general ledger. It is a highly automated environment and therefore most of the audit evidence is maintained in the application system itself. The team has concluded that substantive procedures alone would not be sufficient to address certain risks of material misstatements. Therefore, the application system is relevant for the audit.





## Innovating our audit approach

Focus area	
Audit technology	<ul style="list-style-type: none"> <li>Deloitte Connect – Use Deloitte’s secure, online collaboration site to facilitate a two-way dialogue between the Deloitte team and the Association team to effectively manage engagement coordination and provide greater transparency allowing both management and auditor visibility over client request status.</li> <li>Deloitte Spotlight - Gather data and test journal entries, identify risks and anomalies more quickly, and generate meaningful insights through data visualization.</li> <li>Argus – Use Deloitte’s artificial intelligence tool to analyze the population of contracts or other documents to identify variations, potential risks and hone in on items of interest.</li></ul>



Focus area

Processes

- **Project management** - Enhance project management oversight and effective communications between the audit team and management.

# Appendix 2 – Communication requirements

Required communication	Reference
<b>Audit service plan</b>	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS <sup>1</sup> 260.14
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> <li>a. Timing of the audit</li> <li>b. Significant risks, including fraud risks</li> <li>c. Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk</li> </ul>	CAS 260.15
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27
<b>Enquiries of those charged with governance</b>	
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.21
5. Any known suspected or alleged fraud affecting the Association	CAS 240.22
6. Whether the Association is in compliance with laws and regulations	CAS 250.15
<b>Year-end communication</b>	
7. Modification to our audit plan and strategy	CAS 260.A26
8. Fraud or possible fraud identified through the audit process	CAS 240.40-.42
9. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.
10. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.
11. Matters related to going concern	CAS 570.25
12. Management judgments and accounting estimates	CAS 260.16 a.
13. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.
14. Material written communications between management and us, including management representation letters	CAS 260.16 c.
15. Circumstances that affect the form and the content of the auditor's report	CAS 260.16d.
16. Modifications to our opinion	CAS 260.A21
17. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	CAS 260.A22
18. Significant matters discussed with management	CAS 260.A.22

<sup>1</sup> CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada

Required communication	Reference
19. Matters involving non-compliance with laws and regulations that come to our attention, unless prohibited by law or regulation, including illegal or possibly illegal acts that come to our attention	CAS 250.23
20. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265
21. Uncorrected misstatements and disclosure items	CAS 450.12-13,
22. Any significant matters arising during the audit in connection with the Association's related parties	CAS 550.27

# Appendix 3 – Audit timelines

This calendar indicates our various procedures and meetings as planned throughout the year:

Procedures	Timing
Seven-month stub period report	Week of May 2, 2022
Interim audit	Week of June 13, 2022
School Generated Funds/School Council Funds audits	Tentatively week of September 19, 2022
Year-end audit	Tentatively October 17-28, 2022

## Meetings with the Audit Committee

Presentation of audit plan to the Audit Committee	May 3, 2022
Issuance of draft consolidated financial statements to the Audit Committee	Tentatively November 8, 2022
Review the result of our audit and provide audit report	Tentatively November 8, 2022

# Appendix 4 – New and Revised Public Sector Accounting Standards

The following is a summary of certain new or revised Canadian Public Sector Accounting Standards that will become effective in 2022 and beyond.

## Public Sector Accounting Standards

Title	Description	Effective Date
<a href="#"><u>Section PS 3280 - Asset retirement obligations</u></a>	This Section establishes standards on how to account for and report on the legal obligations associated with the retirement of tangible capital assets.	Effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.
<a href="#"><u>PS 3450 – Financial instruments</u></a>	This Section establishes standards on how to account for and report all types of financial instruments including derivatives.	Effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.
<a href="#"><u>Section PS 3400 - Revenue</u></a>	This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.	Effective for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted. This Section may be applied retroactively or prospectively.

# Appendix 5 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

Register [here](#) to receive practical insights, invitations to Deloitte events/webcasts, and newsletters via email and other electronic channels. You will be able to select business topics and industries that align with your interests.

<input type="checkbox"/> Canada's Best Managed Companies <a href="http://www.bestmanagedcompanies.ca">www.bestmanagedcompanies.ca</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• Directors and CEO/CFO</li> </ul>	<p>The Canada's Best Managed Companies designation symbolizes Canadian corporate success: companies focused on their core vision, creating stakeholder value and excelling in the global economy.</p>
<input type="checkbox"/> Centre for financial reporting <a href="https://www.iasplus.com/en-ca/standards">https://www.iasplus.com/en-ca/standards</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• Directors and CEO/CFO</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.</p>
<input type="checkbox"/> Deloitte Viewpoints <a href="https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints">https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• CFO</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.</p>
<input type="checkbox"/> CFO's corner <a href="https://www.iasplus.com/en-ca/cfos-corner">https://www.iasplus.com/en-ca/cfos-corner</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Editorial providing insights into key trends, developments, issues and challenges executives face, with a Deloitte point of view.</p>
<input type="checkbox"/> Deloitte Dbriefs <a href="https://www.iasplus.com/en-ca/dbriefs/webcasts">https://www.iasplus.com/en-ca/dbriefs/webcasts</a>  <b>Targeted audience</b> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.</p> <p><b>Recent publications (ASPE)</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Revenue (Jan 13, 2020)</a></li> <li>• <a href="#">Accounting for shares issued in tax planning arrangements (ROMRS) (Dec, 18, 2019)</a></li> <li>• <a href="#">Agriculture (Dec 18, 2019)</a></li> </ul>



## MEMO

TO: Halton District School Board Audit Committee  
 FROM: Andrea Eltherington, Regional Internal Audit Manager  
 DATE: May 3, 2022  
 SUBJECT: 2022-23 Internal Audit Plan

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### Recommendation:

***Be it resolved that the Audit Committee recommends that the 2022/2023 Regional Internal Audit Plan which includes the Confirmation of Risk Management Strategic Objective 'Mental Health & Well-being' for staff, Network Penetration testing plus a follow-up review of Procurement and any remaining actions plans identified during the Special Education and Privacy audits be approved by the Board of Trustees.***

### For 2022-23

The Audit plan for 2021-2022 revised in June 2021 included the following reviews:

- Confirmation of Risk Mitigation Strategies for Strategic Objective 'Equity and Inclusion' and
- Confirmation of Risk Mitigation Strategies for Strategic Objective 'Mental Health & Well-Being' for students.
- Confirmation of Risk Mitigation Strategies for Strategic Objective 'Mental Health & Well-Being' for staff.
- Conducting Network Penetration Testing

At the May 18, 2021 Audit Committee meeting, it was noted that the approved audit plan contains four audits and not all of the audits would be completed within the 2021/2022 school year. The top risks identified in the Corporate Risk Profile is Student well-being and Student achievement during COVID-19. At the February 22, 2022 Audit Committee meeting, it was noted that only the Mental Health & Well-being for students audit would be completed during 2021/2022. The RIAT is funded to perform two audits per year at each of the Boards within the West of Central Region. Therefore, the audit plan for 2022/2023 will include two of the remaining three audits and follow-up on any outstanding observations. The third audit will be conducted in 2023/2024.





### **1. Confirmation of Risk Mitigation Strategies for Strategic Objective 'Mental Health & Well-being' for Staff**

Management has articulated a threat/opportunity statement "That staff well-being may be negatively affected. Increased risk for medical leaves, absenteeism and decreased productivity". They have also described a set of 'current people, processes, or systems in place (controls)' to mitigate the impact of the threat to an acceptable level.

An audit plan will be developed to confirm that the set of controls defined in the risk register are effective to mitigate this risk.

### **2. Network Penetration**

An IT Security and Vulnerability audit was completed in 2017 and followed-up in 2019. Management recognizes that the velocity of new threats from cyberattacks, ransomware and privacy and security breaches warrants ongoing monitoring. The risk register includes the threat statement that "a network security threat occurs where the HDSB is not able to identify the threat and effectively respond".

Network penetration testing addresses data security, data availability, privacy and compliance risk.

### **3. Audit Follow up Reviews**

Audit follow-up testing continues throughout the period as evidence is provided that management action plans have been implemented.

- i. Special Education**
- ii. Privacy**
- iii. Procurement**

## **2023-2024**

### **Confirmation of Risk Mitigation Strategies for Strategic Objective 'Equity and Inclusion'**

Management has articulated a threat /opportunity statement "That HDSB may not yet clearly understand and respond to the equity and inclusion needs of their stakeholders." They have also described a set of 'current people, processes, or systems in place (controls)' to mitigate the impact of the threat to an acceptable level.

An audit plan will be developed to confirm that the set of controls defined in the risk register are effective to mitigate this risk.



## MEMO

TO: Halton District School Board Audit Committee  
FROM: Andrea Eltherington, Regional Internal Audit Manager  
DATE: 3 May 2022  
SUBJECT: Regional Internal Audit Status Report – Open Committee Session

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This memorandum will serve to update the Audit Committee on the Regional Internal Audit Team's (RIAT) work since February 22, 2022.

### **A. 2022-2023 Audit Plan Proposal**

Attached for your consideration is the proposed 2022-2023 regional internal audit plan for your approval and recommendation to the Board of Trustees.

### **B. Annual Independence Assertion**

In compliance with S1110 of the International Standards for the Professional Practice of Internal Auditing, I am confirming that the regional internal audit team is organizationally independent and has been allowed to carry out its' responsibilities in an unbiased manner, free from interference in determining the scope of internal audit projects, performing work, and communicating results.



# Halton District School Board

## INFORMATION FOR AUDIT COMMITTEE

### 2021/2022 FISCAL YEAR

Budget Presentation	June 2, 2021	Budget 2021/2022 <a href="#">Report 21086</a> and <a href="#">Full Operating &amp; Capital Budget Report</a>
Budget Approval	June 16, 2021	<a href="#">Approved Budget 2021/22 Link</a> M21-0113
Revised Estimates	December 15, 2021	<a href="#">Revised Estimates 2021-22 Link</a> Report 21164
Quarterly Financial Report for the period ending November 2021	January 5, 2022	<a href="#">Report 22005</a>
Quarterly Financial Report for the period ending February 2022	March 14, 2022	<a href="#">Report 22041</a>
Quarterly Financial Report for the period ending May 2022	June 15, 2022	
Financial Statements – Audit Committee	November 2022	
Financial Statements – Board Presentation and Board Approval	November 2022	

### 2022/2023 FISCAL YEAR

Budget Development	February 2, 2022	<a href="#">Report 22016</a>
Budget Presentation to Committee of the Whole	February 9, 2022	<a href="#">Committee of the Whole Presentation</a>
Budget Presentation	June 1, 2022	

Budget Approval	June 15, 2022	
Revised Estimates	December 7, 2022	
Quarterly Financial Report for the period ending November 2022	January 2023	
Quarterly Financial Report for the period ending February 2023	March 2023	
Quarterly Financial Report for the period ending May 2023	June 2023	
Financial Statements – Audit Committee	November 2023	
Financial Statements – Board Presentation and Board Approval	November 2023	

**Ministry of Education**

Financial Analysis and  
Accountability Branch

315 Front Street West  
12<sup>th</sup> Floor  
Toronto ON M7A 0B8

**Ministère de l'Éducation**

Direction de l'analyse et de la  
responsabilité financières

315, rue Front Ouest  
12<sup>e</sup> étage  
Toronto (Ontario) M7A 0B8

**2022: SB06**

**Date:** March 16, 2022

**Memorandum To:** Senior Business Officials

**From:** Med Ahmadoun  
Director  
Financial Analysis and Accountability Branch

**Subject:** 2020-21 Audit Committee Annual Report to the Ministry

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The purpose of this memorandum is to remind district school boards of the reporting requirements outlined in Ontario Regulation 361/10, *Audit Committees* for the 2020-21 school year.

Under this Regulation, there is a requirement for district school boards to report to the Ministry of Education:

- a summary of the work performed by the regional internal audit team (RIAT) for the 2020-21 school year;
- a summary of the work the RIAT expected to perform during the school year as per their annual/multi-year audit plan and;
- any enrolment audits planned by the RIAT for the 2021-22 school year, if applicable.

This annual reporting by district school boards informs the ministry on the use of RIAT funding allocations and allows for better coordination of enrolment audits of Ontario's district school boards.

A template for the annual report to the ministry has been provided through the [EFIS File Download Portal \(FDP\)](#) under the 2020-21 financial statements folder. District school boards

must submit a signed copy of this report in a PDF format and the Excel template electronically to [EDULABFINANCE@ontario.ca](mailto:EDULABFINANCE@ontario.ca) by April 15, 2022.

Please include the following in the subject line: "2020-21 Audit Committee Annual Report to the Ministry - <2-digit school board number> <school board name>; for example, "2020-21 Audit Committee Annual Report to the Ministry - Toronto DSB".

Please disregard this reminder if your school board has already submitted this report.

For any questions relating to the audit committee annual report, please contact me by email at [Med.Ahmadoun@ontario.ca](mailto:Med.Ahmadoun@ontario.ca) or by phone at (416) 326-0201.

I encourage you to share this memo with your audit committee members as well.

Sincerely,

*Original signed by*

Med Ahmadoun  
Director  
Financial Analysis and Accountability Branch